IN THE HIGH COURT OF JUDICATURE AT BOMBAY

O.O.C.J.

NOTICE OF MOTION NO.3480 OF 2004

IN

SUIT NO.3443 OF 2004

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SHAW WALLACE AND COMPANY
LTD. AND ANR. ...PLAINTIFFS

V/S.

MOHAN ROCKY SPRING WATER
BREWERIES LTD. ...DEFENDANTS

...

Dr.Virendra Tulzapurkar, Senior Counsel i/b Mr.H.W.Kane for Plaintiffs.

Mr.Rohit Kapadia, Sr.counsel with Mr.Milind Vasudeo i/b Mr.S.J. Khera for the Defendant.

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CORAM: D.K.DESHMUKH, J.

DATED: 5TH APRIL, 2006

JUDGMENT:

1. This Notice of Motion is taken out by the Plaintiffs. The suit has been filed by the Plaintiffs on the basis of their registered label mark bearing No.436744 of which one of the essential features is a numeral "5000". According to the Plaintiffs, the Defendant is committing acts of infringement and passing off by using the trade mark "PRESTIGE 5000" and "FOUR SQUARE 5000" of which, the numeral "5000" forms an essential feature. According to the Plaintiffs, Section 28 of the Trade Marks Act, 1999 gives an exclusive right to the Plaintiffs to use the trade-mark "HAYWARDS 5000" and the essential features thereof including the numeral "5000" and also gives rights to the Plaintiffs to prevent anyone from using any deceptively similar trade-mark. According to the Plaintiffs, in or about the year

1983 the first Plaintiff adopted for and in respect of its strong beer the distinctive trade mark "HAYWARDS 5000", of which numeral "5000" forms leading and essential feature, with a view to distinguish its goods from those of others. According to the Plaintiffs, the said numeral "5000" is a fancy numeral and does not have any reference to the character or quality of the strength of the beer. According to the Plaintiffs, between the year 1983 and 2000 the first Plaintiff got manufactured from its contract bottlers strong beer of particular test and quality and sold it under its said trade mark on a continuous and extensive basis. From the year 2001 the 2nd Plaintiff under a licence agreement in writing from the 1st Plaintiff, has been getting manufactured from its contract bottlers and selling the same beer under the said trade mark "HAYWARDS 5000" on a continuous and extensive basis. According to the Plaintiffs, during all these years the Plaintiffs have effected large sales of their beer bearing the said trade mark. The Plaintiffs have filed a statement showing their annual sales from 1993-94. The Plaintiffs state that they have made efforts to popularise their beer sold under the said trade mark and have issued sale material bearing the

trade mark "HAYWARDS 5000". They have spent substantial sums of moneys on publicity and sales promotional expenses. They have filed a chart showing the expenditure incurred by them for publicity. According to the Plaintiffs, due to superior quality of the beer sold under the trade mark "HAYWARD 5000" as also long, continuous and extensive user of the said trade-mark and wide publicity given to it by the Plaintiffs, the said trade-mark has acquired immense reputation and is being exclusively associated by the members of the trade and public with the Plaintiffs and their beer. According to the Plaintiffs, the beer of the Plaintiffs sold under a trade mark "HAYWARD 5000" is the country's largest selling strong beer. According to the Plaintiffs, numeral "5000" forms a memorable part of the said trade mark and the Plaintiffs' advertisement also emphasises the said numeral. According to the Plaintiffs, in 1985 the first Plaintiffs applied for and obtained a registration of the label mark containing the said trade mark "HAYWARDS 5000" and the registration of the trade mark has been renewed from time to time. As a result of the registration of the trade-mark by virtue of the provisions of Section 28, according to the

Plaintiffs, the Plaintiffs have an exclusive rights to use the trade-mark "HAYWARD 5000" and they also have a right to prevent anyone from using any deceptively similar trade-mark. According to the Plaintiffs, the Plaintiffs have been vigilantly protecting their aforesaid exclusive rights. They came to learn that Superior Industries Ltd. of New Delhi commenced use of the trade mark "Superior 5000" in respect of their beer and they filed a suit in the Delhi High Court claiming permanent injunction against the said Superior Industries Ltd. They also filed an application for interim injunction and the Delhi High Court by its order dated 20-6-2003 granted temporary injunction in favour of the Plaintiffs restraining use of the trade mark "SUPERIOR 5000". The Plaintiffs further submits that the Plaintiffs are also using the trade-mark "HAYWARD 2000" in respect of beer which is also a registered trade-mark. According to the Plaintiffs, in or about the year 1994 one Castle Douglas Industries Ltd. proposed to use the trade mark "CASTLE 2000" in respect of its beer. The first Plaintiff on coming to know of it, instituted Suit No.2720 of 1994 in this Court praying for permanent injunction restraining the said Castle Douglas Industries Ltd.

from using the trade mark "CASTLE 2000". The Plaintiffs also applied for temporary injunction and this court by its order dated 20-6-1996 granted temporary injunction in favour of the Plaintiffs. According to the Plaintiffs, use of the trade-mark "PRESTIGE 5000" and "FOUR SQUARE 5000" by the Defendant amounts to infringement of the trade mark of the Plaintiffs. According to the Plaintiffs, the Defendant's trade mark of which a numeral "5000" is an essential features are deceptively similar to the Plaintiffs'' registered trade mark and by using the impugned mark the Defendant is likely to deceive or cause confusion amongst the traders and members of the public. According to the Plaintiffs, they have acquired reputation in "HAYWARD 5000" and therefore the use of the impugned mark by the Defendant with numeral "5000" will result in deception and confusion and by using the trade mark containing numeral "5000" the Defendant is passing of and expecting others to pass of its goods as of goods of the Plaintiffs. Ad-interim order in favour of the Plaintiffs restraining the Defendant from using the impugned mark has already been made by this suit.

2. Notice of Motion is opposed by the Defendants,

who have filed their affidavit.

3. The learned Counsel appearing for the Plaintiffs submits that for considering deceptive similarity between two trade-marks following features are to be considered.

(a) Nature of the mark.
(b) Degree of resemblance between the two marks.
(c) The nature of the goods.
(d) The similarity in the nature, character and purpose of the rival traders.
(e) Class of purchasers.
(f) Mode of purchase and any other surrounding circumstances.

It is submitted that once a mark is registered, the proprietor of the mark gets an exclusive right to use that mark and no one is entitled to use a mark which is deceptively similar to the registered trade mark. The learned Counsel appearing for the Plaintiffs relying on following judgments,

i. De Cardova V/s. Vick Chemical;
(1951) 68 R.P.C. 103;

ii. Ruston’s case AIR 1970 S.C. 1649;

iii. Unreported judgment of Bombay High Court, dt.July 8, 1992 in Appeal No.1180 of 1981, Notice of Motion No.2141 of 1991 in Suit No.2970 of 1991;

submits that a mark is considered to be deceptively similar if it contains any of the essential features of the registered marks.

4. The learned Counsel for the Plaintiffs further submits that the claim for passing off is based on the basis of reputation acquired by the Plaintiffs in their mark of which the essential feature is the numeral "5000". The Defendants were aware of the Plaintiffs’ trade mark "HAYWARD 5000" when they adopted the impugned mark. This knowledge is clear from the following facts:-

i) the Defendants themselves were bottling the Plaintiffs’ products including Beer sold under the mark "HAYWARDS 5000" under an Agreement with the Plaintiffs dated 19th April, 2002.

ii) In the past, the Defendants had copied the

Plaintiffs' trade mark "HAYWARDS 2000" by using the mark "CASTLE 2000" and the Plaintiffs had therefore filed civil suit for passing off against the Defendant and another. The Defendant was the 2nd Defendant in the said suit No.2037 of 1994 filed by the Plaintiffs in this Hon'ble Court. In the plaint filed in the said suit and particularly paragraphs 5 and 7 thereof, the Plaintiffs had specifically referred to their trade mark "HAYWARDS 5000". In the order dated 20th June, 1996 passed by this Hon'ble Court in Notice of Motion No.1259 of 1994 also there is a mention of the Plaintiffs' trade mark "HAYWARDS 5000".

5. In the submission of the learned counsel following two clauses of the Agreement dt.19-4-2002 referred to above are relevant and by reason thereof, the Defendants are estopped from disputing the validity or popularity or reputation of the Plaintiffs' mark.

"6. The Trade Marks, brand names and the get up in which the beer will be sold, supplied and delivered by MRSBL (Defendants) to SWBL (Plaintiffs) or as per direction of SWBL (Plaintiffs) are the sole property

of SWBL (Plaintiffs) and MRSBL (Defendants) neither had nor has any right, title or interest therein and shall not at any time claim any right whatsoever to the use of the labels, brands names, trade marks and/or get-up."

"9.1 MRSBL will produce in addition to any other brands, well-known brands of SWBL such as "Haywards Larger Beer", "Haywards Diet Beer" "Haywards 2000", "Haywards 5000", "Royal Challenge Premium Larger Beer" and such other prestigious and well known BRANDS as SWBL may notify from time to time at SWBL's absolute discretion and MRSBL shall have no right and shall not be entitled to question the popularity or the stability of the brands of SWBL."

6. According to the Plaintiffs, in any event, by reason of the extensive use of their trade marks from the year 1983 and the publicity expenses incurred by the Plaintiffs which are to be found in Exhibit "B" to the plaint, Exhibit "C" to the plaint and from the newspaper cutting, Exhibits "D-1" to "D-4" to the plaint, material on the website, Exhibit "E" to the plaint and the Affidavit of consumers, Exhibits "F-1" to "F-5", it is clear that the Plaintiffs have

established reputation in their trade marks of which, the numeral "5000" is an essential feature, and the Defendants must be aware of the same.

7. It is submitted that, therefore, the Defendants are estopped from disputing the validity of the Plaintiffs' trade mark "HAYWARDS 5000" or its popularity.

8. It is submitted that in an action for passing off, the Plaintiffs are required to establish (i) reputation, which the Plaintiffs have established for the reasons stated above (ii) misrepresentation, which is established by the Plaintiffs by reason of the identical essential feature of the Plaintiffs' trade mark being used by the Defendants and (iii) damage, which is established by the Plaintiffs by reason of the confusion created by the Defendants. The Plaintiffs are, therefore, entitled to the interim reliefs prayed for in the Notice of Motion.

9. It is submitted that the adoption of the impugned mark by the Defendants is dishonest inasmuch as (i) the Defendants themselves were aware of the Plaintiffs' mark as they were bottling the

Plaintiffs' products under the Plaintiffs' trade mark and has acknowledged the popularity of the Plaintiffs' mark in Clause 9.1 of the said Agreement and (ii) by reason of being injuncted by this Hon'ble Court, in an earlier Suit in which the Defendants had copied the essential feature, viz. the numeral "2000" from the Plaintiffs' mark "Haywards 2000". It is submitted that once dishonesty is established, the Court will not push the enquiry any further.

10. The learned Counsel appearing for the Defendants, on the other hand, submits that the Plaintiffs have made the application for interim reliefs without giving notice when the Plaintiffs were aware of the Defendants' use of the mark "Four Square 5000" since May, 2003 and "Prestige 5000" since May, 2004 and by reason of the public notice being displayed on the Board of the Excise Department outside the office of the Excise Commissioner that an application had been received for manufacture of Beer "Four Square 5000" and "Prestige 5000" and by reason of the representative of the Plaintiffs visiting the Defendants' Khopoli factory in 2003 where the Defendants were bottling the Plaintiffs' products under the mark "Haywards 5000" as also their product

"Four Square 5000". The Defendants have contended that the numeral "5000" is descriptive and the Plaintiffs cannot claim any exclusive right because

(i) there is disclaimer.

(ii) there are various other manufacturers who are using the said numeral.

(iii) The numeral "5000" is common to the trade as claimed by the persons, whose Affidavits are filed along with the Affidavit of Mr.Nitesh Kumar Jha dated 17th December, 2004.

11. It is further submitted that in paragraph 3 of the plaint, the Plaintiffs have stated that other breweries have been using different fancy numerals but no brewery has ever used the numeral "5000" in respect of its beer. Thus, the Plaintiffs alone have been using numeral mark "5000" in respect of their beer. According to the Defendants, this statement is false. The Plaintiffs on the date on which they filed this plaint knew that the beer under the trade-mark "PRESTIGE 5000" was being marketed. This statement made in the plaint is patently false and therefore it disentitles the Plaintiffs to any interim order in their favour. In the rejoinder it

is submitted on behalf of the Plaintiffs that the Plaintiffs were not aware of the adoption by the Defendant of the impugned mark in May, 2003. The allegations of the Plaintiffs about the representative of the Plaintiffs visiting the Defendants' factory is too vague. Even the name of the representative has not been disclosed. It is submitted that so far as alleged public notice published by the Excise Department is concerned, the Plaintiffs were unaware of it and the Plaintiffs have made the application for interim reliefs without giving notice the Defendants.

12. It is submitted that there is no disclaimer. The registration certificate and the entry relating thereto clearly does not mention any disclaimer regarding the numeral "5000". It is submitted that whenever the Registrar required any numeral to be disclaimed, he made a specific reference to that as is to be found in the documents produced by the Defendants along with the further Affidavit of the said Kolambe dated 10th January, 2005 in respect of Application No.941704 in respect of "Haywards 5000" advertised before acceptance, Application No.941634 in respect of "Haywards 2000" advertised before

acceptance. The Registrar had suggested disclaimer in respect of numeral "5000". Thus, whenever there is a disclaimer in respect of a numeral, the reference is specifically made. In the instant case i.e. the mark which is registered, there is no such disclaimer in respect of the numeral "5000" and the disclaimer is for descriptive words which obviously are "strong beer". In any event, the Plaintiffs have by their letters dated 28-3-2003 objected to the disclaimer in the matter of the Plaintiffs' another application No.940878 in class 32 which are to be found at page 9 of the Affidavit of Sonali Chawda dated 20-1-2005.

13. Now, if in the light of these rival submissions the record of the case is perused, it becomes clear that the trade-mark of the Petitioner "HAYWARDS 5000" is a registered trade-mark. Perusal of the registration shows that numeral "5000" is not disclaimed. What is disclaimed is the descriptive material on the label. Whenever numeral in the lable or trade mark is disclaimed, it is clear from the material available on record that it was specifically so mentioned, and therefore, in my opinion, it is clear from the material available on record that so

far as the registration of the lable of "HAYWARDS 5000" is concerned, the numeral has not been disclaimed, and therefore, in view of the registration of the trade-mark and the lable, the Plaintiffs will have a statutory right to prevent the Defendants from using a deceptively similar mark. In so far as the question whether the numeral is an essential part of the label is concerned, perusal of the judgment of this Court in Notice of Motion No.1259 of 1994 in the case of Shaw Wallace & Company Ltd. v/s. Castle Douglas Industries Ltd. and anr., dated 20-6-1996 shows that in that case the trade-mark involved was "HAYWARDS 2000". In that case the numeral "2000" was specifically disclaimed, still the court held that the said numeral was an essential part of the trade mark of the Plaintiff. In view of the judgment of this Court referred to above, in my opinion, it cannot be said in the present case that the numeral "5000" is not an essential part of the trade-mark of the Plaintiff and is not associated exclusively with the Plaintiffs. In the present case, as has been rightly contended by the Plaintiffs, the Defendants have , while entering into an agreement with the Plaintiffs which are on record, admitted that the Brand "HAYWARDS 5000" is a

well-known brand and that the Defendants have no right and are not entitled to question the popularity or the suitability of the brand. From the material available on record it is clear that the Defendants were aware, when they adopted their brand about the popularity of the registered trade mark of the Petitioners, and therefore, it prima facie appears that the adoption of the impugned trade-mark by the Defendants was dishonest and they adopted the trade mark to take advantage of the popularity of the trade-mark of the Plaintiffs, and therefore, in my opinion, as there is no disclaimer of the numeral "5000" at the time of registration of the trade-mark and as the numeral "5000" is an essential part of the registered trade lable of the Plaintiffs, the Plaintiffs will prima facie have a statutory right to prevent the Defendants from using a deceptively similar trade lable and trade mark. The Plaintiffs would be entitled to a temporary injunction also because it prima facie appears that the adoption of the impugned mark by the Defendants appears to be dishonest. So far as the defence that there are others who are using the numeral "5000" in relation to beer and therefore it is common to the trade is concerned, apart from the fact that one party other

than the Defendant who was using the numeral "5000" has been proceeded against by the Plaintiff, the Defendant has not produced material on record to show as to what is the extent of sale and business of the other parties who according to the Defendant are using the numeral "5000". In the absence of production on record of the above referred material, the Defendant cannot successfully confer that the numeral "5000" is common to the trade.

14. It is clear, however, that the statement made in paragraph 3 of the plaint that on the date on which the suit was filed nobody else was using the numeral "5000" in respect of the beer is an incorrect statement made by the Plaintiffs. But in my opinion, still for that reason alone the relief of temporary injunction cannot be denied to the Plaintiff, because an order of temporary injunction in a suit for infringment or passing off is to be made not only to protect the right of the Plaintiff, but also to protect the interest of the general public. An order of temporary injunction is to be made so that the public who buys the goods involved is not deceived or misled. Therefore, had the purpose of granting

temporary injunction been only to protect the interest of the Plaintiffs, then may be the temporary injunction could have been denied to the Plaintiffs, because the Plaintiffs have made an incorrect statement in the plaint. But as the purpose of granting temporary injunction in a suit for infringement of trade-mark or trade label is not only to protect the interest of the Plaintiffs, but also to protect the interest of the general public, in my opinion, denial of temporary injunction to the Plaintiffs merely because the Plaintiffs have made incorrect statement in the plaint would not be in the interest of justice.

15. For all these reasons, therefore, in my opinion, ad-interim order which has been granted in favour of the Plaintiffs and which is presently operating deserves to be confirmed. It is accordingly, so ordered. Notice of Motion disposed of.

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